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**STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
DIVISION OF MORTGAGE LENDING**

In re:

Pinnacle Lending Group, Inc.,

Respondent.

**NOTICE OF INTENT TO IMPOSE
FINE AND NOTICE OF RIGHT TO
REQUEST HEARING**

The licensing and regulation of mortgage brokers, mortgage bankers and escrow agencies in the State of Nevada is governed by Chapter 645B, Chapter 645E and Chapter 645A of the Nevada Revised Statutes ("NRS"), respectively, and the regulations promulgated thereunder. The State of Nevada, Department of Business and Industry, Division of Mortgage Lending (hereinafter the "Division") has the general duty to exercise supervision and control over mortgage brokers, mortgage bankers and escrow agencies pursuant to these chapters. Pursuant to that authority, the Division makes the following Factual Allegations, Violations of Law, and Order, as follows:

FACTUAL ALLEGATIONS

1. Pinnacle Lending Group, Inc. (hereinafter "Respondent") is a Nevada corporation. Currently, Respondent's status with the Nevada Secretary of State is "active."
2. Pursuant to NRS Chapter 645B, Respondent was issued a mortgage broker license on March 8, 2006. Currently, Respondent's status with the Division is "active licensed."
3. Based upon information and belief and at all relevant times herein mentioned, Respondent conducted licensed mortgage broker activity in the State of Nevada.
4. On December 23, 2003, Robert Allan Rink, Jr. (hereinafter "Robert Rink") registered with the Financial Institutions Division, Department of Business and Industry, State of Nevada, and was subsequently licensed by the Division as a mortgage agent pursuant to

1 NRS Chapter 645B.

2 5. Based upon information and belief and at all relevant times herein mentioned,
3 Robert Rink was associated with, or employed by, Respondent as a mortgage agent and
4 conducted mortgage agent activity in the State of Nevada on its behalf.

5 6. On July 2, 2007, Michael Jin Sim (hereinafter "Michael Sim") was licensed by the
6 Division as a mortgage agent pursuant to NRS Chapter 645B.

7 7. Based upon information and belief and at all relevant times herein mentioned,
8 Michael Sim was associated with, or employed by, Respondent as a mortgage agent and
9 conducted mortgage agent activity in the State of Nevada on its behalf.
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11 8. Robert Rink, LLC, an entity of unknown organization, has never been licensed as a
12 mortgage broker or agent by the Division pursuant to NRS Chapter 645B.

13 9. A Search of the Nevada Secretary of State's website did not reveal any entity with
14 the name "Robert Rink, LLC" or other similarly-named entities.

15 10. ERS Holdings, Inc., is a Nevada corporation. Currently, ERS Holdings' status with
16 the Nevada Secretary of State is "active."

17 11. Based upon information and belief and at all relevant times herein mentioned,
18 Michael Sim was and is the president, secretary, treasurer and director of ERS Holdings, Inc.
19

20 12. ERS Holdings, Inc. has never been licensed as a mortgage broker or agent by the
21 Division pursuant to NRS Chapter 645B.

22 13. Pursuant to NRS 645B.060, subject to the administrative control of the director of
23 the Department of Business and Industry, the Commissioner shall, with limited exception,
24 "conduct an annual examination of each mortgage broker doing business in this State...."

25 See, NRS 645B.060(2)(d).
26

27 14. During an annual examination of Respondent which commenced on September
28 28, 2009, the Division discovered that, at all relevant times herein mentioned:

1 a. For the year 2008, Respondent paid at least a portion of Robert Rink's
2 annual mortgage agent commissions to Robert Rink, LLC, an entity which has never been
3 licensed by the Division pursuant to NRS Chapter 645B; and

4 b. For the year 2008, Respondent paid at least a portion of Michael Sim's
5 mortgage agent commissions to ERS Holdings, Inc., an entity which has never been licensed
6 by the Division pursuant to NRS Chapter 645B.

7 15. Pursuant to NRS 645B.450, "[a] mortgage broker shall not associate with or
8 employ a person as a mortgage agent or authorize a person to be associated with the
9 mortgage broker as a mortgage agent if the mortgage agent is not licensed with the Division
10 pursuant to NRS 645B.410." See, NRS 645B.450(2).

12 15. Pursuant to NRS 645B.670, as is existed at the time of the violations herein, "[f]or
13 each violation committed by a mortgage broker, the Commissioner may impose upon the
14 mortgage broker an administrative fine of not more than \$10,000, may suspend, revoke or
15 place conditions upon his license, or may do both, if the mortgage broker...[d]oes not conduct
16 his business in accordance with law or has violated any provision of this chapter, a regulation
17 adopted pursuant to this chapter or an order of the Commissioner...." See, NRS
18 645B.670(2)(c).

20 **VIOLATIONS OF LAW**

21 After investigation, the Division determined that at all relevant times herein mentioned:

22 a. Respondent paid at least a portion of Robert Rink's mortgage agent commissions to
23 Robert Rink, LLC, an entity which has never been licensed by the Division pursuant to NRS
24 Chapter 645B, in violation of NRS 645B.450(2);

25 b. Respondent paid at least a portion of Michael Sim's mortgage agent commissions
26 to ERS Holdings, Inc., an entity which has never been licensed by the Division pursuant to
27 NRS Chapter 645B, in violation of NRS 645B.420(2); and
28

1 c. Respondent's violations of Chapter 645B of NRS are repeat violations.

2 **ORDER**

3 **NOW, THEREFORE, THE COMMISSIONER OF THE DIVISION HEREBY ORDERS,**
4 pursuant to NRS 645B.750, that upon written application to the Division within **twenty (20)**
5 **days** of the date of this Order, Respondent shall be entitled to a hearing with regards to the
6 contents of this Order referenced below. At that hearing the Division will seek:

7 a. The imposition of an administrative fine against Respondent in the amount of Ten
8 Thousand Dollars and No Cents (\$10,000.00), payable to the Division on account of
9 Respondent's violations of Chapter 645B of NRS, the Division's administrative costs in the
10 amount of One Hundred Eighty Dollars and No Cents (\$180.00) as well as the Division's
11 attorney's fees, if any, incurred herein, to be proven at the hearing; and
12

13 b. Respondent's payment, in full, of the administrative fine, costs and fees to the Division
14 within **thirty (30) days** of entry of the Final Order.

15 Should Respondent request a hearing, Respondent is advised of the following:

16 a) Respondent is entitled to be represented by legal counsel at its own cost and expense; b) At
17 any hearing Respondent shall be entitled to respond and to present evidence and argument on
18 all issues involved; c) Requests may be made to the Commissioner for the issuance of
19 subpoenas; however, the Commissioner may request the proposed testimony of any such
20 person prior to the issuance of the subpoena; and d) Unless precluded by law, the parties may
21 agree to an informal resolution or settlement prior to any hearing.
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1 Should Respondent not request a hearing within **twenty (20) days** of the date of this
2 Order, the Division will enter a Final Order in this matter against Respondent, as otherwise
3 required by law.

4 Dated this 12th day of February, 2010.

5 State of Nevada
6 Department of Business and Industry
7 Division of Mortgage Lending

8 By: Joseph L. Waltuch
9 Joseph L. Waltuch, Commissioner

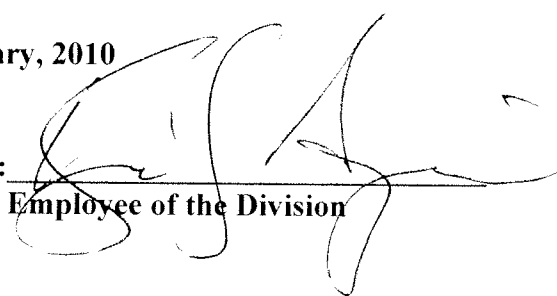
CERTIFICATE OF SERVICE

I certify that I am an employee of the State of Nevada, Department of Business and Industry, Division of Mortgage Lending, and that on , February 17, 2010, I deposited in the U.S. mail, postage prepaid via First Class Mail and Certified Return Receipt Requested, a true and correct copy of the foregoing, NOTICE OF INTENT TO IMPOSE FINE AND RIGHT TO REQUEST HEARING for PINNACLE LENDING GROUP INC , addressed as follows:

Michelle Corbani
Pinnacle Lending Group, Inc.
5439 S. Durango Drive, Ste. 200
Las Vegas, NV 89113

Certified Receipt Number: 7008 1830 0002 7959 5598

DATED this 16th day of February, 2010

By: 
Employee of the Division